MINUTES
of the
SECOND MEETING
of the
INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS
OVERSIGHT COMMITTEE

July 2, 2007
State Capitol, Santa Fe

The second meeting of the Information Technology and Telecommunications Oversight Committee (ITOC) was called to order by Representative Debbie A. Rodella, chair, at 10:15 a.m. at the State Capitol, Santa Fe.

Present

Rep. Debbie A. Rodella, Chair
Sen. John Arthur Smith, Vice Chair
Sen. Rod Adair
Rep. Janice E. Arnold-Jones
Sen. Vernon D. Asbill
Sen. Linda M. Lopez
Sen. Richard C. Martinez
Rep. Luciano "Lucky" Varela
Rep. Peter Wirth

Absent

Rep. Don L. Tripp
Rep. Richard D. Vigil

Advisory Members

Rep. Kathy A. McCoy
Sen. Gerald Ortiz y Pino
Rep. Jeannette O. Wallace

Rep. Elias Barela
Sen. Mark Boitano
Sen. Pete Campos
Sen. Carlos R. Cisneros
Sen. Kent L. Cravens
Sen. Phil A. Griego
Sen. William H. Payne

Staff

David Abbey, Legislative Finance Committee (LFC)
Michelle Aubel, LFC
Raúl Burciaga, Legislative Council Service (LCS)
Mark Guillen, LCS
Randi Johnson, LCS
Doug Williams, LCS

Guests

        The guest list is in the meeting file.

        Copies of all handouts and written testimony are in the meeting file.

Monday, July 2

        Mr. Burciaga reviewed the changes made by the Legislative Council to the ITOC work plan. The October meeting will either have to be held prior to September 30 or, if held in October, the meeting must be in Santa Fe.

        Representative Rodella suggested that the October 15, 2007 meeting be changed to September 27, 2007 in Socorro. The committee concurred.

Review of Relevant 2007 Legislation
—Raúl Burciaga, LCS

        House Bill 1216 introduced by Representative Arnold-Jones passed the House but not the Senate. This legislation would have created the Interoperability Emergency Response Act. It was noted that the sponsor requested the Senate not to pass the legislation because of new developments at the federal level.

        House Bill 359 passed the House and Senate but was pocket-vetoed. The legislation, known as the Geospatial Resources Act, would have created the geospatial resources clearinghouse.

        Representative Varela indicated support for reintroducing this legislation and noted that it should be updated to reference the Department of Information Technology rather than the Office of the Chief Information Officer.

        Representative Arnold-Jones said that the bill was vetoed because the legislation did not give the University of New Mexico enough authority.

        Representative Rodella suggested that this legislation be redrafted and discussed at the committee's Rio Rancho meeting in September.

        Senator Smith suggested that the LFC should be consulted regarding the cost of creating the clearinghouse.

        Senate Bill 165 became law (Laws 2007, Chapter 106) and provides that consumers may place a freeze on the release of consumer credit information.

House Bill 959 became law and it created the Department of Information Technology, repealed the Information Technology Management Act and created the Information Technology Commission.

Information Technology Issues: Judiciary
—Steve Prisoc, Chief Information Officer
—Artie Pepin, Administrative Office of the Courts

Mr. Prisoc and Mr. Pepin outlined the current information technology initiatives as follows:

Case Management Acquisition Progress:
- proof-of-concept system was developed internally;
- request for information (RFI) was issued in 2006;
- site visits to all major case management vendors and at least one client site per vendor;
- case management business requirements were exhaustively documented;
- request for proposals (RFP) was developed in early 2007;
- RFP was issued in May to all court case management vendors;
- RFP responses were received on June 21, 2007;
- finalist vendors will make presentations on July 23-27 to more than 100 judges and staff;
- winning vendor will be selected and recommended to the supreme court; and
- contract negotiations will take place in August.

Statewide Video Arraignment Program:
- reduces risks associated with prisoner transportation from detention to court for police officers, the public and court staff;
- reduces the total time devoted to arraignments and has eliminated delays associated with late delivery of prisoners;
- significantly reduces prisoner transportation costs;
- allows law enforcement agencies to redeploy officers who were previously assigned to prisoner transportation; and
- video infrastructure is now used for conferencing and distance learning.

Enterprise Document Imaging:
- will greatly reduce the physical space needed to store large quantities of physical court files;
- will allow court staff and members of the justice community to access files quickly;
- will virtually eliminate management problems associated with lost or misplaced files; and
- will provide the infrastructure required to allow litigants to file court documents electronically.

General Funding for Judicial Information Division (JIC) Employees :
- collections for the Supreme Court Automation Fund (SCAF) have declined every year since 2000;
- SCAF could provide money to be used exclusively for statewide judicial technology initiatives;
- SCAF was not originally conceived as a fund to pay employee salaries but was designed as a mechanism to allow for ongoing court technical infrastructure improvements;
- SCAF has declined significantly in recent years and moving JID rent to the general fund will provide needed relief to this diminishing fund; and
- JID is the only nonfederally funded state entity that is not provided with general fund money for facilities costs.

Possible New Initiatives:
- at present, 30 courts have 56.6 circuits (dial-up speed);
- circuits should be upgraded to accommodate new case management applications;
- due to unique telecommunications infrastructure in New Mexico, the cost of broadband is very high in many areas;
- due to need for increased bandwidth between Albuquerque and Santa Fe, the existing T1 circuits should be upgraded to a higher bandwidth class;
- approximately three years ago, courts began switching from cassette-taping court proceedings to recording proceedings using digital recording technology designed specifically for courts. In reaction, the Judicial Information Systems Council recommended standards for digital recording;
- once the Supreme Court endorsed the standards, courts began quickly to adopt digital recording technology;
- training and coordination for court digital audio is being conducted by employee volunteers;
- creation of a project manager position to lead the effort may prevent digital audio adoption from becoming chaotic;
- a pilot e-filing project for the supreme court and court of appeals is being planned;
- e-filing will benefit the judiciary and private attorneys by automating an awkward manual case-filing process; and
- e-filing will create digital document repositories that will make document searching easier and will virtually eliminate problems associated with lost physical files.

Information Technology Governance for the Judicial Branch:
- the Judicial Information Systems Council, an IT governing body composed of judges, court administrators, chief clerks and one justice, approves IT-related purchases greater than $5,000 and plans the IT strategic direction for the judiciary;

- the judiciary's Budget Committee recommends all major IT initiatives to the Chief Judges Council; and
- the Chief Judges Council recommends major IT initiatives to the supreme court.

Project Management to Ensure Success:
- in 2004, the JID began a program to train staff members in project management best practices;
- by 2007, more then half of senior managers have earned the Project Management Institute's (PMI) project manager certification;
- formal project plans are created for all projects stringently managed using PMI methods; and
- all application development projects are conducted in collaboration with the stakeholders who will be most affected.

Looming Challenges:
- recent indicators point toward an increase in crime for New Mexico. Violent crime increases have already been reported and other types of crimes are expected to increase measurably by FY2009;
- on June 4, 2007, the FBI released a report on crime in 2006 indicating that crime, particularly violent crime and robbery, continues to rise after falling in 1998;
- crime increases will stress some courts, will contribute to the overall caseload and will affect the demand for IT services and support;
- four of the six senior JID managers were born in 1951 and their estimated time to retire is three to six years;
- only one AD project manager might be interested in assuming a JID senior manager role; and
- while technical talent is at a high level, intellectual capital such as management experience, knowledge and judgment appear to be in short supply.

Representative Arnold-Jones asked why the judiciary is not planning on using fiber optic cable rather than a T-1 carrier. Mr. Prisoc responded that the judiciary is seeking a T-1 type quality of service and has not ruled out fiber optic. Also, the judiciary is trying to balance cost with quality of service.

Representative Arnold-Jones asked about the use of the Wire New Mexico network. Mr. Pepin responded that the judiciary is planning on establishing a direct link in Santa Fe; however, this may not be feasible for some other courts in rural parts of the state.

Senator Martinez asked if there were any plans to expand video arraignment to all judges. Mr. Prisoc responded that all courtrooms are wired, but installation of hardware will depend upon available funds.

Senator Martinez asked about plans to train judges in the use of information

technology. Mr. Prisoc stated that, up to this point, training has focused on security issues. In the future, there will be an extensive training program for judges.

Representative Varela asked about judicial representation on the newly created Information Technology Commission. The members representing the judiciary are Judge Bustamante and Mr. Prisoc.

Representative Wirth asked about electronic access to court documents. Mr. Pepin responded that the first priority is access by court personnel. Later, access to attorneys and the public will be addressed. It is envisioned that access will be available at courthouses and that hard copies of PDF documents will be furnished. Internet access has significant security issues.

Representative Rodella requested a list of courts not yet wired for video arraignment.

Department of Transportation (DOT): Federal Reimbursement
—Tom Church, Chief of Staff, DOT

SHARE was implemented on July 1, 2006 without adequate training. Essentially DOT employees were self-taught with respect to processing payments to contractors. There was an initial problem with prior-year encumbrances that were not in the system. At this point, the system has been updated.

Representative McCoy asked why DOT employees had to learn by trial and error. Mr. Church said that technical support was available through the Department of Finance and Administration (DFA). However, it was difficult to "go live" without parallel testing of the old and new systems.

Representative Arnold-Jones requested that the DOT document its experience with the transition to SHARE.

With respect to the human resources aspect of SHARE, the DOT pays 2,600 employees every two weeks and is not averaging five errors per pay period.

SHARE is now functioning; however, there is no capital asset module and improvements need to be made to federal billing capabilities.

The DOT is working with People Soft to implement a patch to the software and to improve the federal billing module.

Representative Varela asked about the status of federal reimbursement. Mr. Church responded that the DOT has claimed and received $255 million in federal funds. Also, federal auditors have reviewed the SHARE reimbursement module and are

prepared to approve the process. At present, approximately $50 million in federal reimbursement is pending, which is normal.

Representative Arnold-Jones commended DOT employees for overcoming the obstacles associated with implementing SHARE.

Representative Arnold-Jones asked about the lack of an accounts receivable capability. It was noted that the original software package did not include an accounts receivable module. Such a module is now being developed.

Senator Ortiz y Pino asked about federal reimbursement for Rail Runner. Mr. Church stated that the $75 million in potential Rail Runner funds is a separate federal grant program and is independent of the SHARE federal reimbursement module.

Telecommunications Technology in New Mexico and Status of the Qwest Settlement
—Leo Baca, Qwest
—Dennis Pappas, Qwest
—Charlie Ferrell, New Mexico Exchange Carrier Group

Mr. Ferrell listed the broadband projects that are in progress among the companies comprising the Exchange Carrier Group as follows:

Baca Valley Telephone Co., Inc.:
- added 80 miles of fiber cable in 2006 to the existing 120 miles of fiber cable already in existence and replaced remote serving terminals to accommodate growth of broadband services ($2.5 million); and
- 100% of customers can have broadband services via copper/fiber and satellite connections.

Century Telephone Co., Inc.:
- replaced copper inter-exchange network cable from Zuni to Grants with fiber cable. Fiber access points were constructed for Pescado, Ramah and El Morro. The project was in planning several years and delayed due to a planning permit on Native American lands; and
- in the last two years an intra-exchange fiber distribution plan and fiber to the meet point has been initiated with Qwest and is in service.

Dell Telephone Cooperative, Inc.:
- serves the Timberon Exchange via a fiber connection and has had for the last several years fiber network into El Paso and Las Cruces;
- is replacing its legacy switch network with internet protocol (IP)-enabled switches; and
- continues to increase its DSL services to its customers, some of whom are 20 to 30 miles from the main switching center.

ENMR Telephone Cooperative, Inc.:
- 380 miles of distribution fiber have been placed in the ground to current digital loop carrier (DLC) locations;
- fourth quarter 2007 project will begin to construct an additional 400 miles of distribution fiber to the remaining DLCs;
- OC-48 equipment is being upgraded to OC-192 equipment to prepare for additional bandwidth requirements and provide ethernet services to customers; and
- a project to replace all DLC equipment with broadband loop carrier (BLC) equipment, which will upgrade the network from ADSL2 (-8 Mbps maximum) to ADSL2+ (-24 Mbps maximum), is beginning now.

La Jicarita RTC, Inc.:
- in the last five years, this company has been one of the leaders in providing DSL to rural New Mexico; and
- over 95% of its customers can subscribe to DSL if they want it.

Leaco Telephone Cooperative:
- providing DSL to the communities of Dexter, Hagerman and Tatum;
- provides fiber connections for internet access to schools in its serving area and provides internet access to schools in the Lovington and Hobbs area; and
- will have wi fi—hot spots are in Dexter and Hagerman.

Peñasco Valley Telephone:
- in the past 18 months, has installed 33.6 miles of fiber and three new electronic sites to shorten the loop to the subscribers.

Roosevelt County RTC, Inc.:
- completed engineering the Fiber to the Home project in Texico and will start construction this year;
- engineering a 21-mile fiber route from Dora to Milnesand and Causey. This project will push broadband technology farther into rural New Mexico and increase access to the internet; and
- upgrading 25 DLCs to BLC equipment, which will increase speeds from 4 Mbps to 24 Mbps.

Sacred Winds Communication:
- 2,500 current customers over copper wire;
- 6,500 unserved Navajo households (homes without phone service);
- is designing 700 miles of radio relay to reach unserved Navajo households;
- has installed service over copper wire to 178 new customers since January 1, 2007;

- converted 664 customers to Tribal Lifeline Program (discount program for low-income customers) since January 1, and installed high-speed internet over radio to Huerfano Chapter in January 2007;
- 3 Mbps download to training center and Bureau of Indian Affairs (BIA) dormitory school;
- operates a computer training center on the Navajo Reservation; and
- 1,500 attendees through its training center since February 2007.

Tularosa Basin Telephone Co., Inc.:
- Fiber to the Home Project started in 2006 and due to be completed year-end 2008. When complete, customers will have options for video services as well as broadband and regular telephone service. This fiber network will be the first in the state and nationwide that will provide an IP network protocol with 1 gigabyte ethernet connection;
- this multimillion dollar project will benefit customers in Cloudcroft, Carrizozo and Tularosa;
- 98% of customers can have broadband services today; and
- currently has 29% penetration.

Valley Telephone Cooperative, Inc.:
- replacing "Legacy" telephone switching equipment with state-of-the-art IP soft switches in Animas, Playas and Columbus;
- completed placement of fiber cable to all of its DLCs in New Mexico in order to expand bandwidth and improve dependability;
- existing DLC will be replaced to expand its broadband services to include IP video services;
- DSL is available to over 80% of its rural customers in southern New Mexico; and
- has achieved a double-digit penetration rate.

Western NM Telephone Co., Inc.:
- serves 15,000 square miles, approximately 6,400 customers and 7,200 access lines;
- 2006: 30 miles of fiber expansion completed; 2007: targeted approximately 100 miles of fiber expansion to be engineered and 25 miles to be completed; 2008: scheduled to complete an additional 75 miles of fiber; total estimated investment for fiber from 2006 through 2008 is $5.5 million;
- started upgrading Legacy switch network with IP-enabled switches in 2005 and will complete projects by September 1. These upgrades improve the overall quality of service to its rural customers and provide a platform to meet future customer requirements; and
- approximately 70% of customer locations have DSL available. This includes Alamo, a part of the Navajo Nation. The company wants to increase this availability to 75% to 80% by the end of 2007.

Windstream Communications:

- formerly Valor Communications, the company has aggressively expanded its fiber network and broadband services in its entire serving area;
- 100% of its customers have access to DSL services; and
- has engineered and is reenforcing network facilities in the Jal area to accommodate the economic growth that is occurring there.

Mr. Pappas explained the constraints of a broadband service network, noting that the ability for broadband services to work at an end-user's location is based on two critical factors—distance and loop make-up:

- distance limitations of approximately 18,000 feet from the central office;
- if based beyond that distance, the broadband equipment must be placed in the field (RT-based) to extend that reach;
- If RT-based, issues such as ROW, easements, power and DSL capacity could impact the deployment;
- the type of facility (copper vs. fiber) will affect the manner in which broadband services are deployed;
- gauge changes and the physical condition of the outside plant facility have the greatest effect when deploying broadband; and
- devices placed on the facility to enhance voice will impact the company's ability to provide broadband services.

Mr. Pappas summarized the status of the Qwest Second Amended Settlement Agreement as follows:

Requirements	Year-to-Date Results
4a - High Speed Internet (broadband) Access Project -$8L3M investment over 36 months -Coverage to 83% of the qualified working living units across the state and 50% in rural wire centers (rural defined as those with less than 5,000 working living units) -Plans to deploy 22 wire centers and approximately 250 RT locations in 36 months	4a - High Speed Internet (broadband) Access Project -Since 2/1/07, Angel Fire, Amber Mesa, Santa Teresa and La Mesa have deployed CO-based broadband; expect two additional wire centers to turn up in July -Qwest has also turned up 13 RT locations in multiple wire centers with 10-15 more pending in July
4b - Redundant and Diverse Routes Project -Approximately $26M to provide redundant and diverse paths to those wire centers w/o it today with some exclusions due to high cost/low density	4b - Redundant and Diverse Routes Project -Expect to have Farmington diversity issue resolved by EOY07 along with Taos route -11 wire centers in the first two priority projects

4c - Cable Improvement Project -$30M investment to identify and replace defective aerial and buried facilities	4c - Cable Improvement Project -Team has prioritized top 100 DAs in the state and is in the midst of characterizing each DA resulting in jobs to correct the fault or replace the defective facilities
4d - Advanced Telecommunications Technologies Projects -$50M investment ($10M on fiber feeder jobs) on technology advancements	4d - Advanced Telecommunications Technologies Projects -Working list of jobs deploying fiber within the network and expanding network capabilities
4e - Network Improvement and Capacity Augment Projects -$67.7M to utilize in this category or to cover overruns in other categories	4e - Network Improvement and Capacity Augment Projects -Currently working to expand broadband speeds at numerous locations—also upgrading high bandwidth network connections

Representative Arnold-Jones asked about interoperability. Public Regulation Commission (PRC) Chair Ben Lujan, Jr., said that only the wire telco can be compelled to address interoperability, not cable or wireless companies.

Senator Smith noted that the companies cited by Qwest as competitors are in fact Qwest customers. Mr. Baca responded that some competitors operate their own network, e.g., cable companies. Senator Smith requested that the PRC provide a list of companies that purchase services from Qwest.

Representative McCoy requested a map or list of the location of fiber optic cable. Mr. Pappas responded that there are national security issues associated with detailed fiber optic maps; however, a point-to-point list can be provided.

Representative Wallace asked about the regulation of cable companies that expand into telephone service. Mr. Lujan said that cable companies are not regulated. Representative Wallace said that this represents an inequity.

Los Alamos National Laboratory: Security Update
—Mike Fisk, Project Leader, Cyber Security Program

Mr. Fisk identified the following trends in the internet, security and green computing:

Internet Crime:
- 2006: FBI received reports of nearly three incidents of $750,000 in Internet crime in New Mexico alone;
- in the last year or two, there has been an increase in crime on the internet as a

commercial enterprise;
- internet crimes include:
    - fraud, such as phishing attacks and other attempts to elicit consumers' information; and
    - breaking into computers, whether owned by consumers, businesses or government.
- the purpose of these crimes is to steal:
    - personally identifying information;
    - credit card numbers; and
    - social security numbers.

Monetizing Credit Card Numbers
- buying merchandise with stolen credit card numbers to resell on the gray market;
- federal law limits consumer liability for a fraudulent charge to $50.00. The impact to the credit card industry and merchants is approximately $3 billion per year; and
- selling lists of credit card names and numbers.

Hijacking Computers:
- criminals and spammers cannot just use an ISP account; they will be disconnected;
- need to hijack legitimate computers for hijackers' purposes, such as sending email for spam, phishing, etc., and serving up malware to compromise more computers;
- owner of the computer is unaware of the activity; and
- market for selling the use of hijacked computers;

Method of Attack:
- worms and viruses used to be major methods of a attack; now they are drive-by attacks:
    - unsuspecting user goes to legitimate web site;
    - some visible ad or graphic, or an invisible element, is an attack;
    - web browser vulnerability is used to break into computer; and
    - malicious code becomes resident on user's computer; and
- a traditional firewall does not stop this.

Securing Enterprise Computers:
- prevention is worth more than a pound of detection; the cure is frequently to rebuild the computer from scratch;
- intrusion prevention systems are firewalls that examine all internet traffic for known attacks; and
- keeping all software, not just the operating system, patched is the best prevention.

Industry Failings:

- anti-virus companies are based on the business model of providing signature updates;
- vulnerable software is still the norm; and
- despite huge costs to software, vendors correct bugs.

The Personal Computer Revolution Spurred Innovation:
- users can embrace new applications without relying on IT organization;
- cheap, graphical computing for the masses;
- not designed to be managed as a part of a larger system because each one has to be patched individually;
- an enterprise is only as secure as the weakest link;
- thousands of computers virtually guarantee a weak link;
- hidden costs of people maintaining their own hardware and software; and
- time to replace a failed system and restore data and applications.

Centralization:
- the modern jargon for centralized computing is server-based computing;
- applications and data reside on central servers that are used by many users at once and there are fewer systems to secure;
- desktops are just graphical terminals—low power (8W instead of 300W) = low value for theft ($200-$400); long lifetime = longer before obsolete; fewer moving parts to break; and
- better supported now than ever: Windows Terminal Server, Linux-based solutions, server-side virtualization.

Mobility vs. Centralization:
- many employees and their computers are not tethered to a desk:
    o sensitive personnel information, contract information, etc., is roaming around on laptops and PDAs; and
    o physical loss and theft is more likely;
- many organizations are trying to get a handle on securing information on those mobile devices; and
- ubiquitous wireless networks (including mobile phone carriers) allow option of storing data, email, etc., back in the office and accessing it remotely.

Energy Security:
- 30-50% of electricity used by computers wasted to inefficiency; and
- computer industry organizations such as the Green Grid and the Climate Savers Computing Initiative have a goal of 50% reduction in power consumption by 2010.

Environmental Hazards:
- IT is the key to the information economy;

- hazardous substances common; and
- electronics have a short lifetime and limited recycling.

European Union standards for restrictions on hazardous substances (RoHS) are driving many manufacturers.

Senator Asbill asked about downloading sensitive material to desktop terminals. Mr. Fisk indicated that, in a centralized environment, downloading can be permitted or prohibited. Also, terminals may or may not allow USB or CD interfaces.

Representative Arnold-Jones asked about security protocols for all New Mexico government computer systems. Mr. Fisk responded that there are many protocols available from the federal government, e.g., Department of Defense, Department of Energy, etc.

Representative Rodella requested that Los Alamos National Laboratory provide a list of guidelines or a template relating to computer system security.

Committee Discussion of Agenda Items for the August 10, 2007 Meeting
The committee proposed the following subjects for the August agenda:
- Department of Information Technology; new department update; transfer of General Services Department and other agency functions; budget, work plan and organizational structure;
- Department of Homeland Security regarding interoperability;
- Department of Public Safety regarding interoperability; and
- New Mexico State University information technology issues.

The committee adjourned at 4:15 p.m.